

Hearing Date and Time: September 27, 2007 at 10:00 a.m.
Objection Deadline: September 20, 2007 at 4:00 p.m.

Sarah F. Sparrow (NC State Bar No. 13112)
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*Attorneys for TK Holdings Inc., Automotive Systems
Laboratory, Inc., and Takata Seat Belts Inc.*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
)	
In Re:)	Chapter 11
)	
DELPHI CORPORATION, <i>et al.</i> ,)	Case No. 05-44481 (RDD)
)	
Debtors.)	(Jointly Administered)
-----	X	

**RESPONSE BY TK HOLDINGS INC., AUTOMOTIVE SYSTEMS LABORATORY,
INC. AND TAKATA SEAT BELTS INC. TO MOTION FOR ORDER PURSUANT TO 11
U.S.C. §§105(a) AND 502(c) (A) ESTIMATING AND SETTING MAXIMUM CAP ON
CERTAIN CONTINGENT OR UNLIQUIDATED CLAIMS AND (B) APPROVING
EXPEDITED CLAIMS ESTIMATION PROCEDURES**

NOW COME TK Holdings Inc., Automotive Systems Laboratory, Inc. and Takata Seat Belts Inc. ("TK Holdings"), parties to an executory contract with the Debtors Delphi Corporation and Delphi Technologies, Inc., and respond to the Debtors' **Motion for Order pursuant to 11 U.S.C. §§105(a) and 502(c) (A) Estimating and Setting Maximum Cap on Certain contingent or Unliquidated Claims and (B) Approving Expedited Claims Estimation Procedures** (the "Claims Estimation Motion") in regard to TK Holdings' Proof of Claim No. 10571 filed against Delphi Corporation and TK Holdings' Proof of Claim No. 10570 filed against Delphi Technologies, Inc. The Debtors have asserted that the claims will be valued at

“0” for the purpose of voting on the Plan and setting a maximum cap for an unliquidated claim. The Debtors further allege that they are not setting the amount for allowance of the claims. However, in footnote 10, the Debtors indicate that the estimation will limit distribution under the Plan. TK Holdings objects to the estimation of its claims at “0” and to its treatment as proposed by the Debtors. In support thereof, TK Holdings shows the Court the following:

1. The proofs of claim are based upon an executory contract dated November 22, 2004 (the “11/22/04 Agreement”) which has not been rejected as of this date. The proofs of claim were filed as contingent unliquidated claims in an undetermined amount to preserve all of TK Holdings’ rights. Both Delphi Corporation and Delphi Technologies, Inc. entered into an agreement dated November 22, 2004 with TK Holdings. Both Delphi Corporation and Delphi Technologies scheduled the 11/22/04 Agreement on its Schedule G, Schedule of Executory Contracts. The terms of the 11/22/04 Agreement prevent TK Holdings from filing the agreement. However, TK Holdings has provided Debtors’ counsel with a copy in letters to Randall Reese dated December 7, 2006 and to Joseph Wharton dated June 14, 2007. The Debtors’ counsel has not responded to either letter.

2. The agreement is an executory contract which is being performed postpetition. TK Holdings cannot determine its damages so long as the executory contract is being performed and has not been rejected.

3. Estimation of the proof of claim at this stage in the proceedings is premature until Delphi Technologies and Delphi Corporation determine whether they will assume or reject the executory contract.

4. T. K. Holdings’ counsel has contacted Debtors’ counsel Lisa Diaz and the parties have resolved T. K. Holdings’ objection consensually through a modification to the proposed

order. Delphi agreed that T. K. Holdings could have until September 24, 2007, to respond while the parties attempted to reach a consensual resolution of its objection.

5. T. K. Holdings reserves all its rights under 11 U.S.C. §365 in the event the Debtors reject the executory contract.

WHEREFORE, TK Holdings Inc. respectfully requests that the Court allow the modification in the proposed order as agreed to by the parties.

Dated: September 21, 2007
Greensboro, NC

Respectfully submitted,

TUGGLE DUGGINS & MESCHAN, P.A.

By: /s/ Sarah F. Sparrow

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*Attorneys for TK Holdings Inc., Automotive Systems
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¹ Admitted to practice *pro hac vice* per Order dated November 21, 2006 (Dkt. #5608).

CERTIFICATE OF SERVICE

THIS IS TO CERTIFY that the undersigned served a copy of the foregoing **Response by TK Holdings Inc., Automotive Systems Laboratory, Inc. to Motion for Order pursuant to 11 U.S.C. §§105(a) and 502(c) (A) Estimating and Setting Maximum Cap on Certain contingent or Unliquidated Claims and (B) Approving Expedited Claims Estimation Procedures** by Federal Express to the parties in interest as shown below, at addresses identified in the Notice of Motion for Order Pursuant to 11 U.S.C. §§105(a) and 502(c) (A) Estimating and Setting Maximum Cap on Certain Contingent or Unliquidated Claims and (B) Approving Procedures for Expedited Estimation (the “Notice”), and electronically by the Court’s ECF System.

Delphi Corporation
Attn: General Counsel
5725 Delphi Drive
Troy, MI 48098

Davis Polk & Wardwell
Attn: Donald Bernstein and Brian Resnick
450 Lexington Avenue
New York, NY 10017

Skadden, Arps, Slate, Meagher & Flom LLP
Attn: John Wm. Butler, Jr.
333 West Wacker Drive, Suite 2100
Chicago, IL 60606

Latham & Watkins LLP
Attn: Robert J. Rosenberg and Mark A. Broude
885 Third Avenue
New York, NY 10022

Fried, Frank, Harris, Shriver & Jacobson LLP
Attn: Bonnie Steingart
One New York Plaza
New York, NY 10004

Office of the United States Trustee
Southern District of New York
Attn: Alicia M. Leonhard
33 Whitehall Street, Suite 2100
New York, NY 10004

In addition, the undersigned submitted a copy, as required by the Notice, by Federal Express to the following:

The Honorable Robert D. Drain
United States Bankruptcy Judge
United States Bankruptcy Court
Southern District of New York
One Bowling Green, Room 610
New York, NY 10004

This the 21st day of September, 2007.

/s/ Sarah F. Sparrow
Sarah F. Sparrow